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January 8, 2014

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

Re: Application of Carolina Water Service, Incorporated for Adjustment of Rates and Charges, and Modification of Certain Terms and Conditions for the Provision of Water and Sewer Service
Docket No. 2013-275-WS

Dear Ms. Boyd:

Enclosed please find Settlement Exhibit 1 to the Settlement Agreement that was filed with the Public Service Commission of South Carolina in the above referenced matter on January 7, 2014.

Should you have any questions regarding this filing, please contact the parties at your convenience.

Yours Truly,

Jeffrey M. Nelson

Encl.

cc: All Parties of Record

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SCHEDULE OF RATES AND CHARGES

WATER

1. Monthly Charges

	<u>Current</u>	<u>Proposed Settlement</u>
<u>Residential</u>		
Base Facilities Charge per single-family house, condominium, mobile home or apartment unit:	\$12.16 per unit	\$12.49 per unit
Commodity Charge	\$3.89 per 1,000 gallons or 134 cft.	\$4.72 per 1,000 gallons or 134 cft.
<u>Commercial</u>		
Base Facilities Charge by meter size		
5/8" meter	\$12.16 per unit	\$12.49 per unit
1" meter	\$31.81 per unit	\$32.68 per unit
1.5" meter	\$63.63 per unit	\$65.37 per unit
2" meter	\$101.80 per unit	\$104.59 per unit
3" meter	\$190.89 per unit	\$196.12 per unit
4" meter	\$318.14 per unit	\$326.96 per unit
Commodity Charge	\$3.89 per 1,000 gallons or 134 cft.	\$4.72 per 1,000 gallons or 134 cft.

Charge for Water Distribution Only

Where water is purchased from a governmental body or agency or other entity for distribution and resale by the Utility, the following rates apply:

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	<u>Current</u>	<u>Proposed Settlement</u>
<u>Residential</u>		
Base Facilities Charge per single-family house, condominium, mobile home or apartment unit:	\$12.16 per unit	\$12.49 per unit
Commodity Charge	\$2.23 per 1,000 gallons or 134 cft.	\$2.71 per 1,000 gallons or 134 cft.
<u>Commercial</u>		
Base Facilities Charge by meter size:		
5/8" meter	\$12.16 per unit	\$12.49 per unit
1" meter	\$31.81 per unit	\$32.68 per unit
1.5" meter	\$63.63 per unit	\$65.37 per unit
2" meter	\$101.80 per unit	\$104.59 per unit
3" meter	\$190.89 per unit	\$196.12 per unit
4" meter	\$318.14 per unit	\$326.96 per unit
Commodity Charge	\$2.23 per 1,000 gallons or 134 cft.	\$2.71 per 1,000 gallons or 134 cft.

The Utility will also charge for the cost of water purchased from the government body or agency, or other entity. The charges imposed or charged by the government body or agency, or other entity providing the water supply will be charged to the Utility's affected customers on a pro rata basis without markup. Where the Utility is required by regulatory authority with jurisdiction over the Utility to interconnect to the water supply system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will also be charged to the Utility's affected customers on a pro rata basis, without markup.

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter, and

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consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

2. Non-Recurring Charges

- A) Water Service Connection (New connections only) - \$300 per SFE*
- B) Plant Impact Fee (New connections only) - \$400 per SFE*

The Plant Capacity Fee reflects the portion of plant capacity which will be used to provide service to the new customers as authorized by Commission Rule R. 103-702.13. Plant capacity shall be computed by using the South Carolina DHEC "Guide Lines for Unit Contributory Loadings to Wastewater Treatment Facilities" (1972) to determine the single family equivalency rating. The plant capacity fee represents the Utility's investment previously made (or planned to be made) in constructing water production, treatment and/or distribution facilities that are essential to provide adequate water service to the new customer's property.

- C) Water Meter - 5/8 inches x 3/4 inches meter \$35.00

All 5/8 inch x 3/4 inch water meters shall meet the Utility's standards and shall be installed by the Utility. A one-time meter fee of \$35 shall be due upon installation for those locations where no 5/8 inch x 3/4 inch meter has been provided by a developer to the Utility.

For the installation of all other meters, the customer shall be billed for the Utility's actual cost of installation. All such meters shall meet the Utility's standards and be installed by the Utility unless the Utility directs otherwise.

3. Account Set-Up, Disconnection, and Tampering Charges

	<u>Current</u>	<u>Proposed Settlement</u>
A) Customer Account Charge – for new customers only		
All Areas	\$30.00	\$30.00
B) Disconnection Charges: In addition to any other charges that may be due, in those cases where a customer's service has been disconnected for any reason as set forth in Commission Rule R.103-732.5, and the customer has been found to have vacated his premises or the customer has shown his intent to vacate his premises and the imposition of a reconnection charge is not feasible, a disconnection fee shall be due in the amount of \$40.00 and shall be due prior to the Utility reconnecting service.		

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- C) Tampering Charge: In the event the Utility's equipment, water mains, water lines, meters, curb stops, service lines, valves or other facilities have been damaged or tampered with by a customer, the Utility may charge the customer responsible for the damage the actual cost of repairing the Utility's equipment, not to exceed \$250. The tampering charge shall be paid in full prior to the Utility re-establishing service or continuing the provision of service.
4. Billing Cycle
Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.
5. Extension of Utility Service Lines and Mains
The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, and pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has for any reason restricted the Utility from adding additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.
6. Cross-Connection Inspection
Any customer installing, permitting to be installed, or maintain any cross connection between the Utility's water system and any other non-public water system, sewer or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.2, as may be amended from time to time. Such a customer shall annually have such cross connection inspected by a licensed certified tester and provide to Utility a copy of a written inspection report and testing results submitted by the certified tester in accordance with 24A S.C. Code Ann. Regs. R.61-58.7.F.8, as may be amended from time to time. Said report and results must be provided by the customer to the Utility no later than June 30th of each year. Should a customer subject to these requirements fail to timely provide such report and results, Utility may arrange for inspection and testing by a licensed certified tester and add the charges incurred by the Utility in that regard to the customer's next bill.

*A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory

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Loadings for Domestic Wastewater Treatment Facilities -- 25 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

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SCHEDULE OF PROPOSED RATES AND CHARGES

SEWER

1. Monthly Charges

	<u>Current</u>	<u>Proposed Settlement</u>
Residential - charge per single-family house, condominium, villa, or apartment unit:	\$40.56 per unit	\$45.04 per unit
Mobile Homes:	\$28.88 per unit	\$32.07 per unit
Commercial	\$40.56 per SFE*	\$45.04 per SFE*

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

Charge for Sewage Collection Service Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity for treatment, the Utility's rates are as follows:

Residential – per single-family house, condominium, or apartment unit	\$26.73 per unit	\$29.69 per unit
Commercial per single family equivalent	\$26.73 per unit	\$29.69 per unit
Charge for Wholesale Service (Midlands Utility)	\$18.78 per SFE*	\$20.86 per SFE*

The Utility will also charge for treatment services provided by the government body or agency, or other entity. The rates imposed or charged by the government body or agency, or other, entity providing treatment will be charged to the Utility's affected customers on a pro rata basis without markup. Where the Utility is required under the terms of a 201/208 Plan, or by other regulatory authority with jurisdiction over the Utility, to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units (or in such other circumstances as the law may allow from time to time), which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new

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tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

Solids Interceptor Tanks

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

A. Pumping Charge

At such time as the Utility determines through its inspection that excessive solids have accumulated in the interceptor tank, the Utility will arrange for the pumping tank and will include \$150.00 as a separate item in the next regular billing to the customer.

B. Pump Repair or Replacement Charge

If a separate pump is required to transport the customer's sewage from solids interceptor tank to the Utility's sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement as a separate item in the next regular billing to the customer and may be paid for over a one-year period.

C. Visual Inspection Port

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer's expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples therefrom. Failure to provide such visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

2. Non-recurring Charges

A) Sewer Service Connection (New connections only) \$300 per SFE*

B) Plant Capacity Fee (New connections only) \$400 per SFE*

The Plant Capacity Fee shall be computed by using South Carolina DHEC "Guide Lines for Unit Contributory Loadings to Wastewater Treatment Facilities" (1972) to determine the single family equivalency rating. The plant capacity fee represents the Utility's investment previously made (or planned to be made) in constructing treatment and/or collection system facilities that are essential to provide adequate treatment and disposal of the wastewater generated by the development of the new property.

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of non-residential customer is less than one (1). If the equivalency rating of a non-residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These

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charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. Notification, Account Set-Up, Disconnection Charges, and Tampering Charges

A) Notification Fee

A fee of \$15.00 shall be charged to each customer per notice to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.

B) Customer Account Charge - for new customers only.

All Areas \$30.00

A one-time fee to defray the costs of initiating service. This charge will be waived if the customer is also a water customer.

C) Disconnection Charges: In addition to any other charges that may be due, in those cases where a customer's service has been disconnected for any reason as set forth in Commission Rule R. 103-532.4, the customer is found to have vacated his premises or the customer has shown his intent to vacate his premises and the imposition of a reconnection charge is not feasible, a disconnection fee in the amount of \$500.00 shall be due at the time the customer disconnects service. Where an elder valve has been previously installed, a disconnection fee of \$40.00 shall be charged.

D) Tampering Charge: In the event the Utility's equipment, sewage pipes, meters, curb stops, service lines, elder valves or other facilities have been damaged or tampered with by a customer, the Utility may charge the customer responsible for the damage the actual cost of repairing the Utility's equipment, not to exceed \$250. The tampering charge shall be paid in full prior to the Utility re-establishing service or continuing the provision of service.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Non-recurring charges will be billed and collected in advance of service being provided.

5. Toxic and Pretreatment Effluent Guidelines

The utility will not accept or treat any substance or material that has not been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the

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provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

6. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into one of its sewer systems. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, and pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless sewer capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has for any reason restricted the Utility from adding additional customers to the serving sewer system.

In no event will the Utility be required to construct additional sewer treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

*A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2006), as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.